

Minnesota Philanthropy and Disadvantaged People

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MINNESOTA PHILANTHROPY AND DISADVANTAGED PEOPLE

A report on who benefits from grantmaking.

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November 1986

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I. REPORT SUMMARY AND RECOMMENDATIONS

In 1985, Minnesota foundations and corporate giving programs (hereafter referred to as foundations) made an estimated \$208.5 million in grants, up from \$189 million in 1984. This report attempts to answer the important question: "Who benefits from this philanthropy?" Specifically, this report examines to what extent Minnesota foundations applied their resources to the needs of women, racial minorities and other disadvantaged people.

An analysis of more than 10,000 grants totalling \$145,965,363 made in 1985 by forty foundations shows that \$55,623,346 million or 38.1 percent, was intended to benefit disadvantaged people. This is a substantial increase, up from 28 percent in 1982 and 30.1 percent in 1984.¹ This 38.1 percent funding for the disadvantaged can be further broken down into 11.1 percent for racial minorities, 6.5 percent for women, and 20.5 percent for other disadvantaged people such as senior citizens, handicapped people and people with low incomes.

The \$145.9 million studied by the Philanthropy Project represented 69 percent of the \$208.5 million total foundation and corporate grants given in Minnesota in 1985.

The table below summarizes the results from the three Philanthropy Project reports on this subject.

TABLE A. SUMMARY OF REPORTS ON 1982, 1984 AND 1985 GRANTMAKING

	1982 Grants	1984 Grants	1985 Grants
Number of foundations in study	33	40	40
Total grants analyzed	\$118,080,395	\$124,066,091	\$145,965,363
Amount to disadvantaged	\$33,377,511	\$37,347,408	\$55,623,346
Percent to disadvantaged	28.0	30.1	38.1
Percent to women	3.1	5.5	6.5
Percent to racial minorities	6.8	6.3	11.1
Percent to low income, handicapped, senior citizens	18.3	18.4	20.5
Percent to Twin Cities	72.7	64.5	62.3
Percent to greater Minnesota	9.7	14.0	10.8
Percent to other states	17.5	21.5	26.5

This examination of Minnesota foundation grants leads to the following conclusions:

1. Funding for the disadvantaged increased from 30.1 percent to 38.1 percent of total funds granted, comparing 1984 to 1985. Of the thirty-three foundations that are included in the studies of both 1984 and 1985 grants, by 1985 nineteen had increased their disadvantaged funding by 3 percent or more; seven had reduced it 3 percent or more; and seven had less than a 3 percent increase or decrease.
2. Targeted funding for the disadvantaged groupings grew for all constituencies, the most for racial minorities (from 5.5 percent in 1984 to 11.1 percent in 1985). Of the thirty-three foundations studied in both 1984 and 1985, sixteen increased their funding to benefit women, while eleven reduced their percentage, and six remained the same (two at zero percent). For racial minorities, eighteen foundations increased their percentage, while eight decreased their percentage, and seven remained the same (three at zero percent).
3. Most grants to disadvantaged people still go to the Twin Cities (62.3 percent), but grants to greater Minnesota shrank from 14 percent in 1984 to 10.8 percent in 1985.
4. More funding left the state in 1985 than in 1984, rising from 21.5 percent to 26.5 percent, of grants to benefit disadvantaged people.
5. Three-fourths of foundation funding to help the disadvantaged goes to traditional services, with 18 percent going to alternative service modes and 4.1 percent to advocacy.
6. Corporations are four times as likely than private foundations to provide general support, as opposed to special project funding, to grant recipients.
7. Nineteen of the forty foundations and corporations do not voluntarily make public a list of their grants.

The analysis of the more than 10,000 foundation grants studied provides the third measure of the extent to which foundations support programs and organizations that benefit disadvantaged people. The 38.1 percent figure represents a substantial increase in the proportion of philanthropy that benefits disadvantaged people.

The Project is encouraged by this increase. It is clear, however, that many organizations serving the disadvantaged remain unfunded or underfunded by foundations. In 1986, the Philanthropy Project surveyed ninety-two Minnesota nonprofit organizations that serve the disadvantaged. The ninety-two organizations submitted 661 proposals requesting \$10.9 million to the forty largest foundations; 407 were funded for a total of \$6.9 million. Over 250 proposals, almost 40 percent of the total, were not funded. Of those funded, the average grant was 52 percent of the amount requested.

Based on the results of the three foundation surveys, the Philanthropy Project has three recommendations for the foundation community:

1. Each Minnesota foundation should increase the percentage of its grants to benefit disadvantaged people. This could be done in several ways, but at a minimum each foundation should increase by half its funding to at least one of the following four categories: (a) overall percentage to disadvantaged people; (b) percentage to greater Minnesota; (c) percentage to organizations governed by their constituencies; (d) percentage supporting organizations that advocate for changes in society that benefit disadvantaged people.
2. Foundations should make their boards more representative of the community, particularly with regard to income, gender, race, and age.
3. Foundations should publish clear grantmaking guidelines and annual reports, and make available a staff person or board member who can answer questions and provide current information.

II. INTRODUCTION

The United States has a reputation for generous private philanthropy. Corporation and foundation contributions totaled over \$8 billion in 1985. Philanthropy is seen as one of the most innovative and responsive institutions in the country, capable of acting more quickly and creatively than government. However, an important but little raised question in philanthropy is "Who benefits?" The practice of generosity stills leaves the question, "To whom does the money go?"

Usually the closest this question comes to being addressed is through breakdowns of grantmaking into broad categories such as education, health, arts, or social services. These categories indicate what types of activities receive support, but fail to show whom the grants are intended to benefit.

It is frequently implied that much of philanthropy goes to the neediest members of society. Historically this has been a major role for the nonprofit sector, but the link with philanthropy in determining beneficiaries has not been addressed.

A program can exist in any of the subject areas to benefit any of the beneficiary groups--arts do not always go to elites, and social services do not always go to the disadvantaged. For example, a \$50,000 grant to Cornell College to support education (the subject matter) can be done in several ways, with different results for beneficiaries. It can be given to the general fund or the college endowment to incrementally lower the cost of education of every Cornell College student; or it can be targeted to need-based scholarships for students. Which option does the most good? Which makes the most difference?

This is one of the basic questions that face contributors: what is the purpose of philanthropy--to marginally improve the quality of life for all, or to assist specific members of society? There is no uniform answer to this question. The tradition of philanthropy started out with both strains--support of libraries and colleges, and support of orphans, widows and flood victims.

And if the funds are expended to benefit identifiable parts of the population, who should it be? Publicly, the group most often cited or implied to benefit is the needy (though many grants benefit other identifiable constituencies--orchestras, private schools, art museums).

It is sometimes argued that general support for the fine arts and private education benefits everyone, including the disadvantaged, by attracting and retaining major employers and helping the economy. This view of the community as a seamless fabric with thousands of indirect and somewhat equal beneficiaries is at odds with the facts, and a wrinkle on the trickle-down economic theory.

Simply funding programs for the general public in health, education and social services is an unfocused response to community needs, and borders on the squandering of a public resource. If the problem to be addressed is declining minority college enrollment, is general support to private colleges the answer? For contributions made to organizations with identifiable beneficiaries, foundations have a duty to ask whether it would make a bigger difference, and do more good, to target the funds.

It is surprising that more thought isn't given to beneficiaries by foundations. Most foundation dollars are expended for specified subject matter but unspecified beneficiaries. Activities are funded to improve the general quality of life, without attention to what the people impact will be or what other resources are available to fund the same activity. Philanthropy needs to consistently ask the question of who benefits so that who benefits is a considered decision, not an inadvertent byproduct of giving.

One of the major goals of this research is to encourage greater thought about the beneficiaries of grantmaking, both among foundations and nonprofit organizations.

In September 1984 the Philanthropy Project published its first study: Minnesota Philanthropic Support for the Disadvantaged, which examined grants made in 1982 by thirty-three foundations. In November 1985 the Philanthropy Project published its second study: Minnesota Philanthropic Support for the Disadvantaged 1984, which examined grants made in 1984 by forty foundations. One result of the Philanthropy Project's research questions to foundations has been changes in the way several of the foundations keep information about grantees, with greater attention now being paid to beneficiaries in the tracking of grant proposals.

Following the release of each of these reports Philanthropy Project staff and board members have met with many of the grantmakers studied to present specific results on their grantmaking and to discuss the Project's recommendations. These discussions, along with media coverage of the Project's research results, have contributed to a climate for increased philanthropic support of disadvantaged people.

III. RESEARCH DESIGN

This report examines to what extent Minnesota's forty largest foundations and corporate giving programs made grants intended to benefit disadvantaged people. The forty largest foundations were selected on the basis of the amount of their grants made in 1985.

To determine the percentage of 1985 grants made to benefit the disadvantaged, the Philanthropy Project employed the same research methods used in its studies of 1982 and 1984 grants: Minnesota Philanthropic Support for the Disadvantaged and Minnesota Philanthropic Support for the Disadvantaged 1984. Researchers collected the following information for each grant: the amount, the purpose, the type, and, in addition, the constituency of the recipient organization, its governing structure, the location of its main office, purpose, and the primary activity funded by the grant.

DEFINITIONS

A. Constituency

The placement of a grant into one of the disadvantaged constituency groups was determined by the intended beneficiaries of the grant (minority college students, for example), or, if it was a general support grant, the purpose of the organization (e.g. promote independent living for the handicapped).

The Philanthropy Project used three main groupings within the definition of disadvantaged: Racial Minorities, Women, and Other Disadvantaged. This last category includes low income people (family of four with an income below \$14,000) and people who are physically handicapped, mentally ill, mentally impaired, unemployed, illiterate, disabled veterans or senior citizens.

Two of these constituency groupings were broken down into subcategories. Racial Minorities were categorized by the following specific groups: American Indian, Black, Asian/Pacific Islander, Minority Women, and Multi-racial/Hispanic. Grants to benefit Other Disadvantaged were categorized according to whether the intended beneficiaries were elderly, physically handicapped, mentally ill/impaired, or illiterate people. Low income people and federated fund drives were also included in this broad grouping called Other Disadvantaged. These subcategories are the same as those used by the Philanthropy Project in its report on Minnesota philanthropy in 1984.

B. Governance

This report also examines governance as a significant factor in the ability of organizations serving disadvantaged people to attract funding. This report identifies three kinds of organizations differentiated by levels of constituency control:

1. Organizations that serve a disadvantaged constituency and are controlled by that constituency. For example: Minneapolis Urban League--controlled by Blacks, Gray Panthers--controlled by senior citizens, Minnesota Women's Consortium--controlled by women.

2. Organizations that serve the disadvantaged exclusively but are not controlled by the disadvantaged. For example: Minneapolis Urban Coalition, Association for Retarded Citizens, Minnesota Literacy Council.
3. Organizations that are involved in other efforts but have one or more projects devoted to helping the disadvantaged. For example: Lutheran Social Services--grant for shared housing program for the elderly; Washington Association of Churches--grant for workshop on teen pregnancy; Macalester College--grant for minority student program. The grants in this third category were identified by the statement of purpose of each grant.

C. Geography

The geographic category for each grant was assigned according to the location of the main office of the recipient organization. The categories are:

Twin Cities: grants made to organizations located in the seven-county metropolitan area. These, in turn, were sub-divided into East Metro and West Metro locations, with the Mississippi River (in most instances) being the dividing line.

Greater Minnesota: grants made to organizations located in Minnesota but outside the Twin Cities metropolitan area.

Other States/National: grants made to organizations located outside of Minnesota, local or national in scope.

D. Organizational Purpose and Activities

These categories apply to the purpose and primary activity of the recipient organization and not to the purpose of the grant.

The analysis by organizational purpose is designed to test the hypothesis that larger, traditional service organizations, rather than advocacy or alternative service organizations, receive most funding intended to benefit disadvantaged people. These definitions distinguish between service provision and advocacy, and between traditional and alternative services in the following ways.

Traditional Service Organizations: organizations whose primary function is to provide services that have been offered for a long time in a well established manner.

These services are generally accepted by society as ordinary and necessary. These include such services as emergency food, handicapped rehabilitation, foster care, education, health care, and counseling. (Typical of this category: Courage Center, St. Paul Food Bank, Multi Resource Center.)

Alternative Service Organizations: organizations whose primary function is to provide new services, or to provide traditional services in a fundamentally innovative way.

Frequently these organizations are designed to meet a previously unrecognized need, serve a constituency that has been neglected or whose position has been altered by changes in our society. These organizations may be at odds with established notions of the ways and means of providing for social welfare, and may be controversial. This would include battered women's shelters, neighborhood-based housing and economic development, community clinics, independent living for the handicapped, and mediation dispute resolution. (Organizations typical of this category: West Bank Community Development Corporation, Community Clinic Consortium, Women's Art Registry of Minnesota, Red School House.)

Advocacy Organizations: organizations whose primary function is to articulate and advance the interests of particular individuals, constituencies, or points of view.

When articulating the interests of the disadvantaged, these organizations frequently challenge large institutions (both private and public) and are often controversial. These include tenant advocacy centers, neighborhood organizations, welfare rights groups, civil rights organizations, family farm preservation efforts, and foreign and domestic policy reform coalitions. These organizations do not measure success or failure in terms of changes in individual clients' lives, but rather in terms of their effect on social and political policy. (Organizations typical of this category include Amnesty International, the Urban Coalition of Minneapolis, Groundswell, and Minnesota Working Women.)

E. Grant Type

For the first time, the report this year includes information on the type of grants made by Minnesota's largest foundations. Grants were categorized by type in the following two ways. First, researchers determined whether each grant was for general support, a special project, an endowment fund, or a capital drive. A grant designated for "administrative expenses" or "staff support" was categorized as general support unless it was clear that the grant was intended to support a special project.

These types reflect a concern of the Philanthropy Project that by supporting only special projects and/or making only single year grants, foundations may exercise a level of control over the activities of an organization that is not present when grants are made for general operating support and/or for more than one year.

Also, the Project hypothesized that traditional service organizations are virtually the only ones using funding devices such as endowment funds and capital drives.

F. Research Process

As the initial step for this study, researchers requested that each foundation provide the Project with its 1985 annual report or grants list. Of the forty foundations studied, twenty-five publish annual reports that include a list of grants made. Most foundations cooperated by providing this information. Some went out of their way to provide computer readouts and/or additional information as needed.

When annual reports were not available from private foundations, the information had to be obtained from IRS 990PF tax forms on file at the Minnesota Attorney General's Office. Corporate tax returns are not publicly available (although a tax deduction is given for charitable contributions), so complete information was not available on some corporate grantmakers.

The categorization of grants included a four-step process:

1. Obtaining the list of grants from foundations or Attorney General's Office.
2. Completing initial review and categorization of grants based on grant description, direct knowledge of Philanthropy Project staff and board members, published literature, and telephone calls.
3. Sending Philanthropy Project's initial categorizations to each foundation on the original report form for verification, additions and/or omissions, and following up by phone or meeting where necessary.
4. Making final categorizations based on input from foundations and enter data into computer program for analysis.

When examining the grants for each foundation, the key question was, "Who is the intended beneficiary of this grant?" When the targeted population was a racial minority, women, or any of the groups listed in the "other disadvantaged" category, the grant was included in the data for this report.

Many grants were intended for general populations; in these cases disadvantaged people may be incidental beneficiaries. These grants were not counted (for example, a grant to the University of Minnesota for general operating support). While such a grant may incidentally benefit disadvantaged people, it was not targeted to them and therefore was not categorized as a grant intended for the disadvantaged.

IV. RESEARCH FINDINGS

The Philanthropy Project studied \$145,965,363 in grants made in 1985 by forty of Minnesota's largest foundations. It included \$11,481,546 granted by community foundations, \$61,599,046 by corporations and \$72,884,771 by private foundations. Organizations serving disadvantaged people received \$55,623,346 or 38.1 percent of the \$145.9 million.

All of Minnesota's foundations together gave out in 1985 an estimated total of \$208.5 million. The grants analyzed in this study represent 69 percent of that total. The remaining 31 percent was granted by 500 smaller foundations. The majority of these smaller foundations, however, grant little to organizations serving disadvantaged people.² The 38.1 percent of grants going for the disadvantaged for the foundations in this study can be accepted as a generous estimate of support from all Minnesota foundations for disadvantaged constituencies. The conclusion, then, is that in 1985 approximately \$79.4 million out of a total of \$208.5 million was granted by all Minnesota foundations to organizations serving disadvantaged people.

In giving for the disadvantaged, the percentage for each foundation shown in Appendix D (Tables 1 and 8, on pages 26 and 33), ranged from the Ordean Foundation's 99.8 percent to the Andersen Foundation's 4.1 percent. These percentages, though, represent only an overall figure for giving to benefit disadvantaged people. Each foundation has its own priorities and its own profile of giving to the disadvantaged. The priorities for most foundations are rather broad. "Economic development," "community affairs," "human services," and "education" are typical. Priorities are occasionally determined by the foundation's trust instruments. The Ordean Foundation must grant all its money to organizations serving disadvantaged people in the Duluth area; the Allis Educational Foundation is restricted to granting scholarship funds to post-secondary education in Minnesota. In other cases, specific priorities are developed by the foundation's board of directors. Minnegasco dedicates a large percentage of their giving to Heatshare, a program to help low-income consumers pay their heating bills.

Regardless of how focused or broad a foundation's priorities might be, though, this study confirms that foundations, if they so choose, can direct any percentage of their grants to disadvantaged constituencies and remain within the foundation's priorities. For example, in 1985 over 1,000 grants totalling \$21.2 million were made specifically for programs for the disadvantaged to organizations that were not dedicated primarily to serve disadvantaged people. Numerous scholarship grants were directed to minority students, others to women; some grants for the arts were focused to benefit disadvantaged constituencies (e.g. one grant was for making the Ordway Theatre accessible to the handicapped).

The first section below discusses connections between how much of their grant monies are given to organizations that serve disadvantaged people and characteristics of the foundations such as size, whether or not they are staffed, and so forth. The next sections address the geographic distribution and the type of grants foundations make to benefit disadvantaged people. Following sections concern patterns in the foundations' giving to the different constituencies of the disadvantaged, to what extent contributions

are directed to organizations governed by the disadvantaged themselves, and, finally, the distribution of giving to advocacy as compared to service organizations.

A. Distribution by Foundation Size and Type

The four foundations making the largest total contributions for the disadvantaged accounted for more than half (56 percent) of the \$55.6 million total that all the foundations included in this study granted for disadvantaged people. The four foundations were McKnight, Bush, Dayton-Hudson and Northwest Area. These represent the general rule that the highest percentage funders of the disadvantaged are foundations that are staffed, publish an annual report, and have a larger than average amount of assets.

It should be noted, however, that having full-time staff and publishing an annual report are more critical variables than size alone. Though the three variables are usually closely related, there are some significant exceptions. Some of the largest Minnesota foundations do not have full-time staff nor publish annual reports; Andersen and O'Shaughnessy are two such foundations. Their funding for the disadvantaged was 4.1 and 10.1 percent, respectively. On the other hand, some of the smaller foundations covered in this report have full-time staff and publish annual reports. Minnegasco and Carolyn are examples here, and in 1985 61.9 and 54.4 percent, respectively, of their total grants went to the disadvantaged.

The following table illustrates the pattern of giving by the three different foundation types, with a comparison of 1984 to 1985.

TABLE B. DISTRIBUTION OF GRANTS BY FOUNDATION TYPE

Foundation Type	N	Amount to Disadvantaged	Percentage of Grants Within Type	Average Grant Size	Number of Grants
Corporate	18 (16)	\$19,233,041 (15,816,311)	31.2 (27.0)	\$6,480 (6,776)	2,968 (2,334)
Private	19 (21)	32,542,643 (18,378,296)	44.8 (32.0)	32,175* (24,406)	857 (753)
Community	3 (3)	3,847,662 (3,152,801)	33.5 (38.4)	10,427 (10,040)	369 (315)

*Calculation made exclusive of anomalous \$5 million McKnight grant.

NOTE: Numbers in parentheses are the figures for 1984.

In both 1984 and 1985 private foundations gave the most money to the disadvantaged, but in 1985 there was a large increase in the amount to the disadvantaged from private foundations, a moderate increase from corporations, and a slight increase from community foundations. In percentage terms, in 1984 community foundations granted a higher percentage of their total giving to the disadvantaged (38.4) than did private or community foundations. In 1985 it was private foundations which had the highest percentage of their total giving to disadvantaged people (44.8 percent). Corporate and community foundations were more than ten percentage points lower (31.2 and 33.5 percent, respectively).

Among the foundation types, for both years corporate foundation grants were substantially smaller than grants from private foundations; community foundations were between the two. From 1984 to 1985 the average grant from corporate foundations decreased slightly, while the average grant from private foundations increased substantially. The relative number of grants was the same for both years, with corporate foundations making three times as many grants as private foundations. This pattern continues to show that corporate foundations tend to "spread the money around," granting a larger number of smaller grants, while private foundations concentrate the money and give fewer but substantially larger grants.⁴

The increase in the total number of dollars given to organizations serving disadvantaged people in 1985 was due, for the most part, to the giving of private foundations, a reverse from the trend from 1982 to 1984 in which corporate foundations were responsible for most of the increase.

B. Distribution by Type of Grant

For the first time, 1985 grants were categorized by the type of grant made; divided into general support, special project, capital and endowment.

Several clear patterns emerged, particularly with regard to the type of foundation. Table C shows that corporate foundations were far more likely to provide general support than either private foundations or community foundations. This is partly explained by the smaller size of corporate grants. Special project grants are more likely to be specifically negotiated, involve more time and detail, and are warranted only for larger grants.

Both corporate and private foundations were a source of capital grants, but only private foundations made significant contributions for endowments. This figure is largely explained by a \$5 million McKnight contribution to an endowment for Florida colleges.

Traditional service organizations received three times as many endowment and capital grants (159 grants for \$9.1 million), than did alternative service organizations (45 grants for \$1.9 million), or advocacy organizations (7 grants for \$102,400).

TABLE C. DISTRIBUTION OF 1985 GRANTS BY GRANT TYPE AND FOUNDATION TYPE

	Corporate		Private		Community	
	%	N	%	N	%	N
General support	56.8	1932	13.6	242	34.4	153
Special project	33.6	884	56.7	514	64.7	218
Capital	9.5	150	13.2	50	0.4	1
Endowment	0.1	1	15.5	3	0.5	3
Missing value	0.0	1	1.0	48	0.0	0
TOTAL	100.0	2968	100.0	857	100.0	369

C. Distribution by Geographic Location of Recipient Organization

The distribution of grants by the geographic location of the recipient is shown in Appendix D (Table 2 on page 27). Dollars granted to organizations located in greater Minnesota grew from \$5.2 million in 1984 to \$6 million in 1985. However, the percent of all funds granted to benefit disadvantaged people in greater Minnesota went from 14 percent in 1984 to 10.8 percent in 1985--a decrease of three percentage points. Of the thirty-three foundations in both the 1984 and 1985 studies, thirteen increased funding to greater Minnesota, thirteen decreased, and seven remained the same (five at zero and two at 100 percent).

Excluding the foundations not located in the Twin Cities and those that primarily or exclusively grant scholarships (a total of five foundations), of the thirty-five remaining, the largest contributors to greater Minnesota on a percentage basis were Otto Bremer, McKnight, and Bush. (These foundations are all staffed, publish annual reports, and are, with the exception of Bremer, the largest foundations in the state.)

The dollar amount granted for the disadvantaged to Twin Cities-based organizations serving the disadvantaged increased by more than \$10 million, from \$24.1 million in 1984 to \$34.7 million in 1985. Despite this increase in dollars, the percentage for the Twin Cities also decreased by more than two percentage points, from 64.5 percent in 1984 to 62.3 percent in 1985.

The geographic category that showed the biggest change was the Other State/National category. The amount of dollars to disadvantaged people in other states doubled from 1984 to 1985, and increased from 21.5 to 26.5 percent of the disadvantaged total. Corporate foundations decreased the percentage of funds granted in other states to organizations that serve dis-

advantaged people from 11.8 percent in 1984 to 9.0 percent in 1985. The increase in funds to other states is accounted for exclusively by a change in private foundation grants which increased by nearly ten percentage points from 7.7 percent of all the money granted for the disadvantaged in 1984 to 17.4 percent in 1985.

The total amount granted by private foundations for the Twin Cities' disadvantaged people increased by less than one percentage point, but for corporate foundations the increase was 2.6 percentage points. In 1985, the Twin Cities received 71.7 percent of the money granted to disadvantaged people by corporate foundations, and 50.6 percent of the money granted by private foundations; the comparable figures for 1984 were 62.9 percent for corporate foundations and 56.6 percent for private foundations.

The study also divided the Twin Cities between East and West Metro areas. As shown in Appendix D (Table 3 on page 28), the West Metro area received the largest amount of money (\$23,277,352) and also the largest percentage of money for organizations serving disadvantaged people, 41.8 percent; East Metro received \$10,492,496 or 18.9 percent. Of the money given by private foundations to organizations in the Twin Cities area, a startling 73.4 percent went to the West Metro area; corporate foundations had a similar distribution, with 69.8 percent of their Twin Cities grants going to the West Metro area. This pattern is very different from 1984, when corporate foundations funded primarily in the West Metro area, and private foundations mainly in the East Metro area.

D. Distribution by the Recipient Organizations' Constituencies

Of the total funds granted by Minnesota foundations in 1985, 20.5 percent went to organizations that serve the constituency group defined as Other Disadvantaged (the poor, elderly, handicapped, disabled veterans, etc.). Organizations that primarily serve racial minorities received 11.1 percent and, finally, women received 6.5 percent. Appendix D (Table 4 on page 29) shows the constituency distribution for grants by each foundation. The constituencies are further broken down by specific subgroups in Table D.

For the three foundation types, the same pattern in the distribution of their grants to the three constituencies was present in 1985 as in 1984. In each year the largest percentage went to the other disadvantaged constituency, followed by racial minorities and then women. Table E gives the exact figures.

TABLE D. 1985 DISTRIBUTION BY CONSTITUENCY

Constituency	Percent of Monies to Dis- advantaged	Number of Grants	Average Grant Size	Total Dollars
Racial Minorities				
American Indians	3.3	174	\$10,650	\$1,853,115
Hispanics	1.4	96	7,867	755,300
Blacks				
Including higher educ.	18.7	371	28,090	10,421,718
Excluding higher educ.	(4.4)	(94)	(7,893)	(2,320,607)
Asian/Pacific Islanders	1.4	69	11,265	777,340
Minority women	0.3	26	6,604	171,724
Multi-racial/Hispanics	4.1	227	9,900	2,247,496.
Sub-total	29.2	963	\$16,850	\$16,226,693
Women				
Including higher educ.	17.0	725	\$13,042	\$9,455,545
Excluding higher educ.	(14.6)	(658)	(10,675)	(7,024,636)
Other Disadvantaged				
Elderly	2.0	171	\$6,611	\$1,130,609
Physically handicapped	3.7	343	5,967	2,046,755
Mentally ill/impaired	4.7	103	25,206	2,596,305
Other (mainly low income)	33.6	1429	13,089	18,704,196
United Way	9.8	460	11,876	5,463,243
United Way	9.8	460	11,876	5,463,243.
Sub-total	53.8	2,506	\$11,948	\$29,941,108
TOTAL	100.0	4,194	n/a	55,623,346

TABLE E. DISADVANTAGED GRANTS DISTRIBUTION BETWEEN FOUNDATION TYPES

	Corporate	Private	Community
Racial minorities	22.5 (20.6)	34.3 (26.2)	19.0 (23.7)
Women	15.6 (14.7)	18.3 (23.3)	12.9 (11.6)
Other disadvantaged	61.9 (64.6)	47.4 (50.5)	68.1 (64.7).
TOTAL	100.0	100.0	100.0

NOTE: Numbers in parentheses are the figures for 1984.

Of the total giving to benefit disadvantaged people, grants to organizations that primarily serve women decreased from 17.0 percent to 14.6 percent when the grants to higher education were subtracted; this figure represents an increase of only one percentage point over the comparable figure in 1984 of 13.6 percent. The distribution of funds to women's organizations by geographic location shows a different pattern than the pattern for overall distribution. Organizations located in the Twin Cities received 68.1 percent of the money, but greater Minnesota received 18.9 percent, and other states and national organizations received only 12.8 percent.

The forty foundations in this study contributed \$10,926,486 to United Way campaigns in various states in 1985, a figure which represents 7.5 percent of the total money given by these foundations. Fifty percent of that money, \$5,463,243, was included in this study as benefitting the Other Disadvantaged category and it accounts for 9.8 percent of the money given to the disadvantaged. These figures for 1985 compare to a United Way total of \$10.3 million in 1984, half of which represented 13.8 percent of the money granted in 1984 to disadvantaged people. The increase in the giving to the disadvantaged was not, by and large, given through the United Way. As in 1984, most of the 1985 grants to the United Way came from corporate foundations (75.8 percent), 15.9 percent came from private foundations, and 8.3 percent from community foundations.

Again as in 1984, of the money granted in 1985 to racial minorities, 62 percent was granted out-of-state. This money represents grants to United Negro College Fund schools (all located outside of Minnesota), and a \$5 million grant to the Florida College Association by the McKnight Foundation. Only 12.8 percent of the monies to women and 11.6 percent of the monies to the other disadvantaged category were granted outside Minnesota.

Table F shows the distribution of the money granted to organizations serving disadvantaged people in Minnesota.

Percentages remained about the same from 1984 to 1985 for racial minorities and women; the other disadvantaged category shows the most drastic changes. The elderly subcategory decreased from 5.8 to 1.8 percent; handicapped dropped from 7.5 to 4.0; mentally ill/impaired went from 3.7 to 6.1; and other went from 35.4 to 42.4. Most of these categories are relatively small, however, and one or two major grants can dramatically affect these figures.

TABLE F. DISTRIBUTION OF FUNDS GRANTED IN MINNESOTA
FOR DISADVANTAGED CONSTITUENCIES

Constituency	Percentage of Money Granted in MN for Disadvantaged	Dollars Granted in Minnesota	Percentage of Total Grants by Foundations in 1985
Racial minorities			
American Indian	3.3	\$1,350,707	0.9
Hispanics	1.3	531,650	0.2
Blacks	4.6	1,853,559	0.6
Asian/Pacific Islanders	1.5	604,420	0.2
Minority women	0.4	159,724	0.1
Multi-racial/Hispanics	4.1	1,654,522	0.6
Multi-racial/Hispanics	4.1	1,654,522	0.6
Sub-total	15.2	\$6,154,582	2.2
Women	20.2	\$8,224,613	2.8
Other disadvantaged			
Elderly	1.8	\$752,598	0.3
Physically handicapped	4.0	1,631,845	0.6
Mentally ill/impaired	6.1	2,473,538	0.8
Other, mostly low income	42.4	17,267,661	5.9
United Way	10.3	4,182,562	1.4
United Way	10.3	4,182,562	1.4
Sub-total	64.6	\$26,308,204	9.0
TOTAL	100.0	\$40,687,399	14.0

E. Distribution by the Recipients' Governance Structure

The following table (Table G) divides the total granted to each constituency group by the three types of organizational governance considered in this study.

The overall pattern here is the same as in 1982 and 1984. Constituency controlled organizations that serve women and racial minorities received the highest percentage of funds in those constituency groupings while organizations that have another purpose but operate programs for disadvantaged constituencies received the largest amount of funds designated for the other disadvantaged category. In addition, however, for women and other disadvantaged there was a shift between 1984 and 1985 away from funding constituency controlled organizations and toward multi-purpose organizations. The shift for racial minorities, though greater, was in the same direction.

TABLE G. GRANTS TO DISADVANTAGED CONSTITUENCY
GROUPINGS BY GOVERNANCE TYPES

	Racial Minorities	Women	Other Disadvantaged	Constituencies Governance Totals
Constituency control	43.0 (69.5)	70.7 (83.1)	12.2 (14.4)	31.1 (38.3)
Serves the disadvantaged but not constituency controlled	4.5 (5.1)	17.6 (7.5)	49.2 (41.6)	30.8 (27.8)
Organizations with another purpose but with programs for disadvantaged	52.5 (25.4)	11.7 (9.4)	38.6 (44.0)	38.1 (33.9)
TOTAL	100.0	100.0	100.0	100.0

NOTE: Numbers in parentheses are the figures for 1984.

Appendix D (Table 5 on page 30) shows the distribution of grants by foundation among the three governance types. Corporate foundations tended more than private foundations to support constituency-controlled organizations, 28 percent for the private and 34.5 percent for corporate foundations; community foundations however, had the highest percentage at 40.8 percent. This shows a reversal of the patterns from 1984 when private foundations had the highest percentage at 43.8 percent and corporate foundations the lowest at 32.3 percent. Community foundations had 36.4 percent in 1984. This was due almost entirely, though, to the MNSHIP program of the Minneapolis Foundation.

F. Distribution by Recipients' Purpose

The figures in Table H confirmed the hypothesis that larger, traditional service organizations received the largest proportion of grants.

As these figures show, organizations that provide traditional services received two-thirds of the dollars given to benefit disadvantaged people and also received the highest average grants. Organizations that primarily advocate for disadvantaged people received the least number of dollars and the smallest average grants. This imbalance grew worse between 1984 and 1985.

TABLE H. DISTRIBUTION BY PURPOSE OF RECIPIENT ORGANIZATION

Purpose	Dollars	Percent to Disadvantaged	Average Grant Size	Number of Grants
Traditional service	\$43,341,389 (27,852,928)	77.9 (74.6)	\$14,154 (11,767)	3,062 (2,752)
Alternative service	10,000,457 (6,987,514)	18.1 (18.7)	12,469 (9,953)	802 (702)
Advocacy	2,281,500 (2,506,966)	4.1 (6.7)	6,913 (7,551)	330 (332)
TOTAL	55,623,346 (37,347,408)	100.0 (100.0)	na	4,194 (3,886)

NOTE: Numbers in parentheses are the figures for 1984.

Appendix D (Table 6 on page 31) shows for each foundation the distribution of grants to benefit disadvantaged people by the activity of the recipient organization. Including all grants, community foundations were four times as likely to make grants to advocacy organizations than were corporate foundations and almost twenty times as likely as private foundations. Of their grant dollars to disadvantaged people, community foundations gave 21.9 percent to advocacy organizations. Corporate foundations gave 5.7 percent and for private foundations the figure is 1.1 percent. This relatively high percentage for community foundations, however, is accounted for entirely by the McKnight Neighborhood Self-help Improvement Program (MNSHIP) of the Minneapolis Foundation. Not counting the advocacy MNSHIP grants, community foundations granted only 4.5 percent of their dollars for the disadvantaged to advocacy organizations.

FOOTNOTES

1. A previous report published by the Philanthropy Project showed that in 1982 28 percent of \$118 million in grants made by thirty-three top Minnesota foundations were intended to benefit the disadvantaged. Jon Pratt and Rosangelica Aburto, "Minnesota Philanthropic Support for the Disadvantaged," (The Philanthropy Project, 1984), p. 7.
2. Very few of the smaller foundations are staffed; on the importance of this, see page 11. Even where a smaller foundation is staffed, grants for disadvantaged people tend to be very small; see, Frederick W. Smith and Rosangelica Aburto, "The Experience of Smaller Non-profits Raising Money from Minnesota's Largest Foundations," (Center for Urban and Regional Affairs, 1985), p. 6.
3. Jon Pratt and Rosangelica Aburto, "Minnesota Philanthropic Support for the Disadvantaged," (The Philanthropy Project, 1984), pp. 7-8.
4. Ibid., p. 8.

APPENDIX A. PHILANTHROPY PROJECT DESCRIPTION AND ACKNOWLEDGEMENTS

The Philanthropy Project was organized in 1983 by representatives of twenty of Minnesota's smaller nonprofit organizations. The purpose of the Project was and remains to increase the amount of philanthropic support for disadvantaged constituencies such as racial minorities, women, the handicapped, and other low income persons. Through a variety of methods the Project has attempted for the past three years to lift up the needs of the disadvantaged to foundation staff, trustees, and the broader community while also attempting to improve the fundraising skills of its members and other smaller nonprofits.

The Project has held over twenty different seminars for nonprofit organizations covering such topics as joint fundraising, securing grants for rural organizations, and the grant patterns and practices of each of fifty foundations. The Project conducted three tours of organizations meeting the needs of the disadvantaged for over seventy staff and trustees of Minnesota foundations. A survey of Project members resulted in the report The Experience of Smaller Nonprofits Raising Money from Minnesota's Largest Foundations. In both 1984 and 1985 the Project published research reports on foundation grantmaking, Minnesota Philanthropic Support for the Disadvantaged. After each of these reports, Project staff and board members have met with the foundations studied to discuss the research results and recommendations.

The Project has one full-time and one half-time staff persons on staff, and is supported by member dues, workshop and publication fees, and grants from Minnesota corporations and foundations. The Center for Urban and Regional Affairs of the University has contributed half-time salary for a research associate as well as provided office space and support staff for the Project. The Project now has over one hundred members and, consistent with the sunset clause in its original plans, will go out of existence on December 31st, 1986.

In addition to the Center for Urban and Regional Affairs of the University of Minnesota, the Philanthropy Project is supported by membership and workshop fees, and by contributions from the Patrick and Aimee Butler Foundation; Dayton-Hudson Foundation for B. Dalton Bookseller, Daytons and Target Stores; Gelco Foundation; General Mills Foundation; Honeywell Foundation; the Jostens Foundation; Lyman Lumber; the Minneapolis Foundation; Minnegasco; Northern State Power Company; Northwest Area Foundation; Pillsbury Company Foundation; St. Paul Companies; the St. Paul Foundation; and Midwest Communications for WCCO-TV, WCCO-AM, and W-LITE.

APPENDIX B. DESCRIPTION OF METHODOLOGY AND RESEARCH PROBLEMS

There are several factors that were taken into consideration in setting categories. If a grant was intended to benefit a mixed constituency, e.g., racial minority plus low income and/or qualified for more than one group, the grant was placed in the grouping that would represent the highest degree of self-determination. For example, if the grant was given to a low income people controlled organization for the purpose of helping a minority group, the grant was classified as "Other Disadvantaged 1" and not "Racial Minority 3." If a grant qualified equally for more than one grouping, e.g., Women of Nations (racial minority and women), the grant was classified racial minority instead of women, and women instead of other disadvantaged.

Grants were categorized by intended beneficiary, not ultimate beneficiary, because of the impossibility of looking at client data for all of the recipient organizations for the grant period and isolating out who received the cash value from the grant. Instead, the Philanthropy Project looked at the primary beneficiaries of the organizations' services, or the stated purpose of the grant, to categorize the beneficiaries.

The controlling factor was the status of the recipient of the services, not the income of the service provider. For that reason, though a grant to an arts organization may be directed at individuals who personally have low incomes, the controlling factor would be the intended audience or clientele of the organization. In the case of the Jerome Foundation, whose grants are focused on emerging artists with support given on the basis of artistic merit, grants were included if the primary constituency of the recipient organization was women, racial minorities or other disadvantaged.

Day care was judged to primarily benefit women. While it is true that both men and women benefit from child care, women have been the primary beneficiaries because it has allowed them greater entry into the job market. In many rural areas the day care center doubles as the de facto women's center. In single parent families, usually headed by women, day care is an important factor in helping the parent be employed outside the home.

Federated funding was treated differently due to the large scale of funding and the intermediary purpose of the federated funds. The major federated fund drive is the United Way, which in turn makes grants to hundreds of social service organizations through separate drives in each metropolitan area. The Philanthropy Project attempted to determine the proportion of United Way funds that benefit disadvantaged people, but accurate information is unavailable due to inadequate record keeping.

An analysis of United Way agencies and grants, coupled with conversations with United Way staff and committee members, suggests that between 25 and 40 percent of United Way funds may benefit disadvantaged people. Assuming the best possible interpretation of United Way beneficiaries, and because of the lack of hard data, this study used the uniform figure of 50 percent of United Way grants throughout the United States as benefitting the disadvantaged. These grants were placed under the group "Other Disadvantaged," and in governance category 3.

A smaller federated fund drive located in the Twin Cities is the Cooperating Fund Drive, an association of thirty small social service and advocacy organizations. Based on specific information that is collected from its member organizations on an annual basis, it was established that 77 percent of the money given to the Cooperating Fund Drive was for the benefit of the disadvantaged. Because the CFD Board and member organizations' boards are representative of their constituencies, each grant given the Cooperating Fund Drive was grouped as "Other Disadvantaged 1."

Loans to organizations were not included, even if to organizations that serve disadvantaged people, because they are not a permanent transfer of funds. If and when loans are converted to grants they would be included, just as grants are included only in the year they were paid out, not when the grant commitment was made. These loans (including program-related investments) were not included in the overall pay out figures cited in Table 5 (in Appendix D), and so do not figure in the percentages.

Grants to educational institutions for scholarship purposes were included only if they were specifically intended for racial minorities, women or low income people. Guidelines for eligibility for scholarships are very broad, and are different from a focus on low income persons.

In the case of the Alliss Educational Foundation, where all the funds are devoted to educational scholarships, grants to women's colleges were categorized in this report as disadvantaged grants under the Women category. While many Alliss scholarships may have gone to low income students, it was not possible to determine how many, based on an examination of the reports submitted to Alliss from the Minnesota colleges receiving funds. Without data showing what part of these scholarships went to low income persons, and without a grant purpose stating that the grants are to be used for disadvantaged students, Alliss grants to educational institutions, aside from women's, were not categorized as benefitting the disadvantaged.

Medical research, hospitals, and chemical dependency were not included within the definition of disadvantaged unless the research, medical services or treatment were targeted to disadvantaged people. Grants for research, prevention, or for educating the general public were not included because the intended beneficiaries are prospective and not now disadvantaged. Thus, a grant to Courage Center would be included, but a grant for the Association to Prevent Blindness or the Foundation for Kidney Research would not.

Seven foundations that were in the 1984 report are no longer among the largest forty foundations, and were replaced by seven others. Dropped from the list were the Wasie Foundation, Bayport Foundation, General Service Foundation, Mardag Foundation, E. & C. Davis Foundation, and Greystone Foundation; new to the list were the Carolyn Foundation, Graco, Northwestern Bell, Bemis Company Foundation, the Hugh J. Anderson Foundation, IDS, and the Griggs & Griggs Foundation.

For the thirty-three foundations included in both the 1984 and 1985 reports, funding for the disadvantaged went from 30.5 percent in 1984 to 38.5 percent in 1985. This indicates that the overall increase shown by this study does not depend on the substitution of the seven foundations not included in both the 1984 and 1985 grants research.

APPENDIX C. FOUNDATIONS INCLUDED IN THE STUDY

1. McKnight Foundation
2. The Bush Foundation
3. Dayton Hudson Foundation
4. Northwest Area Foundation
5. Honeywell Foundation & Corporation
6. 3M Foundation
7. General Mills Foundation
8. First Bank System Foundation (includes First Bank
St. Paul and First Bank Minneapolis foundations)
9. St. Paul Foundation
10. Norwest Corporation and Subsidiaries
11. The St. Paul Companies
12. The Pillsbury Foundation & Corporation
13. Alliss Educational Foundation
14. Charles K. Blandin Foundation
15. The Minneapolis Foundation
16. Otto Bremer Foundation
17. Andersen Foundation
18. Deluxe Check Printers Foundation
19. Northern States Power Company
20. Phillips Foundation
21. Cargill Foundation
22. I.A. O'Shaughnessy Foundation
23. Jerome Foundation
24. F.R. Bigelow Foundation
25. B.C. Gamble and G.K. Skogmo Foundation
26. Fingerhut Family Foundation
27. Hormel Foundation
28. Ordean Foundation
29. Medtronic Foundation
30. Jostens Foundation and Corporation
31. Tozer Foundation
32. Northwestern National Life Insurance Company
33. Graco Foundation
34. Carolyn Foundation
35. Northwestern Bell Telephone Company
36. Mary Livingston Griggs and Mary Griggs Foundation
37. Hugh J. Andersen Foundation
38. Bemis Company Foundation
39. IDS Financial Services, Inc.
40. Minnegasco

APPENDIX D
REFERENCE TABLES

TABLE 1: FUNDING TO DISADVANTAGED PEOPLE

Foundation	Percentages	Dollars
1. Ordean	97.6	\$ 807,095
2. Gamble Skogmo	70.6	969,733
3. McKnight	69.9	18,510,182
4. Northern States Power	62.2	1,429,051
5. Minnegasco	61.9	353,185
6. Carolyn	54.4	360,497
7. St. Paul Companies	48.5	1,160,093
8. Otto Bremer	46.6	1,490,466
9. Northwest Area	43.8	2,848,439
10. Minneapolis	42.2	2,029,351
11. Honeywell	39.8	2,559,086
12. Bigelow	39.5	562,407
13. General Mills	37.1	2,271,744
14. Medtronic	36.6	313,487
15. Graco	36.6	216,341
16. Dayton Hudson	34.9	5,076,840
17. Cargill	32.5	633,100
18. Northwestern National Life	31.8	210,360
19. Deluxe Check Printers	30.1	684,015
20. Bush	29.8	4,485,663
21. St. Paul Foundation	29.3	1,707,207
22. Jostens	28.6	179,289
23. Norwest Corporation	28.3	698,561
24. Northwestern Bell Telephone	27.3	324,807
25. First Bank System	24.9	1,526,104
26. Bemis Company Foundation	21.5	124,349
27. Blandin	20.8	820,810
28. Hugh J. Anderson	20.6	132,656
29. IDS	18.3	200,000
30. Phillips	16.5	293,750
31. 3M	15.6	930,092
32. Fingerhut	15.1	151,650
33. Pillsbury	13.3	695,722
34. Hormel	13.1	111,104
35. Griggs & Griggs	12.2	73,500
36. O'Shaughnessy	10.9	127,150
37. Alliss	9.5*	282,540
38. Jerome	8.8**	122,120
39. Tozer	6.5*	45,550
40. Andersen	4.1	\$ 105,250

* Funds scholarships exclusively.

** Funds exclusively in the arts.

TABLE 2: GEOGRAPHIC DISTRIBUTION OF DISADVANTAGED
GRANTS FOR FORTY FOUNDATIONS
(Percentage of each foundation's grants to the disadvantaged
by geographic location. Foundations ranked by size.)

Foundation	Twin Cities	Greater Minnesota	Other States/National
1. McKnight	50.7	13.1	36.2+
2. Bush	57.2	13.0	29.8++
3. Dayton Hudson	52.9	0.8	46.3+++
4. Northwest Area	60.0	9.9	30.1*
5. Honeywell	51.6	0.6	47.7+++
6. First Bank System	87.1	6.3	6.6
7. General Mills	77.2	0.7	22.1+++
8. 3M	75.5	1.8	21.7+++
9. St. Paul Foundation	98.5*	0.9	0.6
10. Pillsbury	60.2	2.9	36.9+++
11. Minneapolis	94.6*	2.6	2.7
12. Blandin	58.4	38.5**	3.1
13. Otto Bremer	33.1	44.7*	22.2*
14. Alliss	58.7	41.3***	0.0
15. St. Paul Companies	90.9	2.0	7.1
16. Andersen	96.7	3.3	0.0
17. Norwest Corporation	90.1	9.8	0.0
18. NSP	98.9	1.1	0.0
19. Deluxe Check Printers	72.9	5.7	21.4+++
20. Cargill	97.1	0.1	2.8
21. Phillips	42.5	2.4	55.1
22. Northwestern Bell	89.9	10.1	0.0
23. Bigelow	90.2	8.0	1.8
24. Jerome	35.1	0.0	64.9
25. Gamble Skogmo	100.0*	0.0	0.0
26. O'Shaughnessy	46.9	0.0	53.1
27. IDS	97.2	0.3	2.5
28. Fingerhut	96.0	0.0	4.0
29. Ordean	0.0	100.0*,**	0.0
30. Medtronic	84.4	3.5	12.1
31. Hormel	0.0	100.0*	0.0
32. Jostens	96.6	0.0	3.4
33. Tozer	77.6	22.4***	0.0
34. Carolyn	55.8	0.0	44.2
35. Northwestern Natl. Life	93.5	4.8	1.7
36. Hugh J. Anderson	67.6	18.8	13.6
37. Griggs & Griggs	18.4	0.0	81.6
38. Graco	91.6	2.3	6.1
39. Bemis	45.1	0.8	54.1+++
40. Minnegasco	93.1	1.5	5.3

* Trust Instrument determines geographic location of funding.

** Located in greater Minnesota.

*** Reflects funding to colleges in greater Minnesota.

+ Reflects grants in the state of Florida for Black higher education.

++ Reflects grants to UNCF colleges and universities.

+++ Reflects giving in other states' corporate offices or plants.

TABLE 3: TWIN CITIES GEOGRAPHIC DISTRIBUTION FOR FORTY FOUNDATIONS

(Percentage of each foundation's grants to the disadvantaged in the Twin Cities by geographic location. Foundations ranked by size.)

Foundation	West Metro	East Metro	Location of Foundation Office
1. McKnight	84.5	15.5	West Metro
2. Bush	49.7	50.3	East Metro
3. Dayton Hudson	74.3	25.7	West Metro
4. Northwest Area	63.7	36.3	East Metro
5. Honeywell	93.4	6.6	West Metro
6. First Bank System	55.5	44.5	West Metro
7. General Mills	74.1	25.9	West Metro
8. 3M	31.5	68.5	East Metro
9. St. Paul Foundation	9.5	90.5	East Metro
10. Pillsbury	76.3	23.7	West Metro
11. Minneapolis	76.7	22.3	West Metro
12. Blandin	100.0	0.0	Greater MN
13. Otto Bremer	8.4	91.6	East Metro
14. Alliss	0.0	100.0	East Metro
15. St. Paul Companies	26.1	73.9	East Metro
16. Andersen	85.9	14.1	East Metro
17. Norwest Corporation	90.7	9.3	West Metro
18. NSP	79.9	20.1	West Metro
19. Deluxe Check Printers	49.9	50.1	East Metro
20. Cargill	91.4	8.6	West Metro
21. Phillips	97.1	2.9	West Metro
22. Northwestern Bell	70.9	29.1	West Metro
23. Bigelow	16.3	83.7	East Metro
24. Jerome	83.7	16.3	East Metro
25. Gamble Skogmo	77.2	22.8	West Metro
26. O'Shaughnessy	9.1	90.9	East Metro
27. IDS	64.5	35.5	West Metro
28. Fingerhut	91.7	8.3	West Metro
29. Ordean	0.0	0.0	Greater MN
30. Medtronic	56.8	43.2	West Metro
31. Hormel	0.0	0.0	Greater MN
32. Jostens	82.1	17.9	West Metro
33. Tozer	21.2	78.8	East Metro
34. Carolyn	49.8	50.2	West Metro
35. Northwestern National Life Ins.	91.5	8.5	West Metro
36. Hugh J. Anderson	39.9	60.1	East Metro
37. Griggs & Griggs	7.4	92.6	East Metro
38. Graco	93.0	7.0	West Metro
39. Bemis	85.1	14.9	West Metro
40. Minnegasco	99.7	0.3	West Metro

TABLE 4: THREE MAJOR CONSTITUENCY GROUPINGS

(Percentage of total dollars granted to disadvantaged by constituency.
Percentages are in rank order. Each column ranks individually.)

<u>Racial Minorities</u>		<u>Women</u>		<u>Other Disadvantaged</u>	
1. McKnight	31.7*	Carolyn	29.0**	Ordean	83.6**
2. Honeywell	16.5*	Deluxe Checks	20.9**	Minnegasco	60.9+
3. St. Paul Co's	12.0**	Gamble Skogmo	16.8**	NSP	51.0**
4. Bush	10.6***	Northwest Area	12.7	Gamble Skogmo	44.0
5. Jostens	10.2	Otto Bremer	11.1	St. Paul Co's	32.7
6. Griggs & Griggs	10.1	Ordean	11.0	Medtronics	30.5
7. Gamble Skogmo	9.8	Cargill	10.3	McKnight	29.5
8. Dayton Hudson	8.9	IDS	10.1	Graco	29.3
9. NSP	8.2	Allis	9.5	Minneapolis	28.2
10. Otto Bremer	7.7	McKnight	8.6	Otto Bremer	27.7
11. Northwest Area	7.5	Blandin	8.3	Bigelow	27.1
12. St. Paul Found.	7.1	Dayton Hudson	7.7	General Mills	24.6
13. General Mills	6.9	Minneapolis	7.4	Carolyn	24.4
14. Minneapolis	6.6	Bush	7.3	Northwest Area	23.6
15. IDS	6.4	First Bank	7.2	Norwest Bank	23.6
16. Bigelow	6.3	Bigelow	6.1	N.W. Bell	23.0
17. NWNL	5.2	Jerome	5.7	Honeywell	21.4
18. Cargill	5.0	General Mills	5.6	NWNL	21.3
19. Pillsbury	4.6	NWNL	5.3	St. Paul Found.	19.8
20. Graco	4.4	St. Paul Co's	3.8	H.J. Andersen	18.6
21. First Bank	3.8	Medtronics	3.5	Dayton Hudson	18.2
22. N.W. Bell	3.3	NSP	3.0	Bemis Co.	17.9
23. Jerome	3.1	Graco	2.8	Cargill	17.2
24. Ordean	3.0	Norwest Bank	2.8	Jostens	15.8
25. Deluxe Checks	2.9	Jostens	2.6	Phillips	14.6
26. Medtronics	2.6	St. Paul Found.	2.4	First Bank	13.1
27. Fingerhut	2.1	Pillsbury	2.2	General Mills	13.1
28. Bemis Co.	1.9	Tozer	2.1	Hormel	13.1
29. Norwest Bank	1.9	Honeywell	1.9	Bush	11.9
30. 3M	1.8	Fingerhut	1.8	Blandin	11.8
31. Tozer	1.1	Bemis Co.	1.7	Fingerhut	11.1
32. Carolyn	1.0	H.J. Andersen	1.7	O'Shaughnessy	10.3
33. Minnegasco	1.0	Phillips	1.3	Pillsbury	6.4
34. Blandin	0.6	N.W. Bell	1.0	Deluxe Checks	6.3
35. Phillips	0.6	3M	0.7	Andersen	4.0
36. H.J. Andersen	0.3	O'Shaughnessy	0.6	Tozer	3.3
37. Andersen	0.1	Minnegasco	0.0	Griggs & Griggs	2.1
38. Allis	0.0	Griggs & Griggs	0.0	IDS	1.8
39. O'Shaughnessy	0.0	Andersen	0.0	Jerome	0.0
40. Hormel	0.0	Hormel	0.0	Allis	0.0

* Reflects grants for Black higher education.

** Reflects general pattern of grantmaking instead of specific emphasis.

*** Reflects grants to UNCF colleges and universities.

+ Reflects grants to "Heatshare."

TABLE 5: GRANTMAKING TO THREE ORGANIZATIONAL GOVERNANCE TYPES
(Percentage of each foundation's grants to the disadvantaged
by organizational governance type. Foundations ranked by size.)

Foundation	Constituency Controlled	Serves the Disadvantaged	Other Organizations
1. McKnight	16.1	34.4	49.5
2. Bush	64.8*	23.9	11.3
3. Dayton Hudson	39.7	29.9	30.4
4. Northwest Area	34.9	24.9	40.2
5. Honeywell	28.4	30.0	41.6
6. First Bank System	42.9	38.0	19.1
7. General Mills	41.1	22.9	36.0
8. 3M	15.2	14.3	70.5
9. St. Paul Foundation	13.7	18.5	67.8
10. Pillsbury	34.1	45.8	20.1
11. Minneapolis	65.9**	27.7	6.4
12. Blandin	52.9	18.1	29.0
13. Otto Bremer	28.9	25.9	45.2
14. Alliss	100.0***	0.0	0.0
15. St. Paul Companies	46.6	20.1	33.3
16. Andersen	3.8	92.0	4.2
17. Norwest Corporation	23.9	20.4	55.7
18. NSP	20.1	45.1	34.7
19. Deluxe Check Printers	31.6	63.9	3.6
20. Cargill	50.0	25.9	24.1
21. Phillips	11.9	70.0	17.1
22. Northwestern Bell	16.2	25.3	58.5
23. Bigelow	18.3	12.5	69.2
24. Jerome	94.1+	0.0	5.9
25. Gamble Skogmo	41.8	44.7	13.4
26. O'Shaughnessy	5.9	88.1	6.0
27. IDS	31.2	7.8	61.0
28. Fingerhut	27.9	17.7	54.4
29. Ordean	8.6	36.6	54.8
30. Medtronic	29.7	16.3	54.0
31. Hormel	0.0	65.7	34.3
32. Jostens	41.5	30.8	27.7
33. Tozer	67.1***	0.0	32.9
34. Carolyn	46.7	33.8	19.4
35. NWNL	28.1	34.1	37.8
36. Hugh J. Anderson	10.7	65.4	23.9
37. Griggs & Griggs	83.0++	0.0	17.0
38. Graco	17.0	24.9	58.1
39. Bemis	16.6	31.7	51.7
40. Minnegasco	3.0	65.1	31.9

* Grants to UNCF colleges and universities, all of which are constituency controlled.

** Grants given by the Minnesota Women's Fund and MNSHIP, all of which are constituency controlled.

*** Grants to women's colleges, all of which are constituency controlled.

+ Grants to small arts organizations, many of which are constituency controlled.

++ Reflects a \$60,000 grant to the Asia Society.

TABLE 6: GRANTMAKING TO THREE ORGANIZATIONAL ACTIVITY TYPES:
TRADITIONAL SERVICE, ALTERNATIVE SERVICE, AND ADVOCACY

(Percentage of each foundation's grants to the disadvantaged by
organizational activity type. Foundations ranked by size.)

Foundation	Traditional Service	Alternative Service	Advocacy
1. McKnight	90.7	9.1	0.2
2. Bush	68.2	30.5	1.3
3. Dayton Hudson	68.2	30.5	6.3
4. Northwest Area	59.6	36.2	4.2
5. Honeywell	86.0	9.1	4.8
6. First Bank System	60.4	34.1	5.5
7. General Mills	66.5	24.6	8.9
8. 3M	94.4	4.1	1.5
9. St. Paul Foundation	89.3	6.1	4.5
10. Pillsbury	70.6	23.1	6.3
11. Minneapolis	26.7	35.5	37.7***
12. Blandin	49.9	48.3*	1.8
13. Otto Bremer	82.2	14.8	3.0
14. Alliss	100.0	0.0	0.0
15. St. Paul Companies	68.2	21.2	10.6
16. Andersen	100.0	0.0	0.0
17. Norwest Corporation	81.8	13.6	1.7
18. NSP	83.4	13.5	3.1
19. Deluxe Check Printers	75.2	20.9	3.1
20. Cargill	69.4	26.7	3.9
21. Phillips	68.0	28.6	3.4
22. Northwestern Bell	71.0	23.8	5.2
23. Bigelow	88.4	8.0	3.6
24. Jerome	14.5	85.5**	0.0
25. Gamble Skogmo	66.5	31.9	1.5
26. O'Shaughnessy	94.1	5.9	0.0
27. IDS	68.8	27.7	3.5
28. Fingerhut	83.5	13.2	3.3
29. Ordean	84.7	15.3	0.0
30. Medtronic	75.3	14.2	10.5
31. Hormel	100.0	0.0	0.0
32. Jostens	74.4	21.7	3.9
33. Tozer	100.0	0.0	0.0
34. Carolyn	86.4	13.6	0.0
35. NWNL	74.0	21.5	4.5
36. Hugh J. Anderson	89.8	9.4	0.8
37. Griggs & Griggs	98.6	1.4	0.0
38. Graco	90.7	8.2	1.1
39. Bemis	92.8	6.0	1.2
40. Minnegasco	94.8	3.5	1.7

* Reflects grants for economic development.

** Reflects arts funding exclusively.

*** Reflects MNSHIP grants.

TABLE 7: GRANTMAKING BY FOUR TYPES OF GRANTS:
GENERAL SUPPORT, SPECIAL PROJECT, CAPITAL AND ENDOWMENT

Foundation	General Support	Special Project	Capital	Endowment.
1. McKnight	10.6	54.2	8.2	27.0
2. Bush	11.6	44.0	44.4	0.0
3. Dayton Hudson	48.0	49.9	2.1	0.0
4. Northwest Area	20.4	79.6	0.0	0.0
5. Honeywell	67.1	24.7	8.2	0.0
6. First Bank System	66.2	10.4	22.4	1.0
7. General Mills	56.8	26.4	16.8	0.0
8. 3M	81.4	18.6	0.0	0.0
9. St. Paul Foundation	12.6	85.2	0.9	1.3
10. Pillsbury	53.1	46.6	0.3	0.0
11. Minneapolis	52.7	47.3	0.0	0.0
12. Blandin	43.5	45.7	10.8	0.0
13. Otto Bremer	9.8	88.8	1.3	0.0
14. Alliss	0.0	100.0	0.0	0.0
15. St. Paul Companies	59.3	37.7	3.0	0.0
16. Andersen	100.0	0.0	0.0	0.0
17. Norwest Corporation	81.4	6.1	12.5	0.0
18. NSP	32.7	58.7	8.6	0.0
19. Deluxe Check Printers	44.5	23.0	32.5	0.0
20. Cargill	64.5	0.0	35.5	0.0
21. Phillips	9.9	90.1	0.0	0.0
22. Northwestern Bell	83.9	8.3	7.8	0.0
23. Bigelow	15.4	77.9	0.0	6.7
24. Jerome	21.3	78.7	0.0	0.0
25. Gamble Skogmo	16.3	31.8	51.8	0.0
26. O'Shaughnessy	10.8	49.9	39.3	0.0
27. IDS	24.0	76.0	0.0	0.0
28. Fingerhut	47.6	27.7	24.7	0.0
29. Ordean	22.1	77.9	0.0	0.0
30. Medtronic	46.5	53.5	0.0	0.0
31. Hormel	34.3	65.7	0.0	0.0
32. Jostens	61.8	31.5	6.7	0.0
33. Tozer	50.7	49.3	0.0	0.0
34. Carolyn	15.7	61.6	22.7	0.0
35. NWNL	75.9	5.1	19.0	0.0
36. Hugh J. Anderson	61.5	38.5	0.0	0.0
37. Griggs & Griggs	1.4	98.6	0.0	0.0
38. Graco	31.8	61.4	6.7	0.0
39. Bemis	77.7	22.3	0.0	0.0
40. Minnegasco	44.4	55.6	0.0	0.0

TABLE 8: LIST OF FORTY FOUNDATIONS RANKED BY SIZE, AND TOTAL GRANTS INCLUDED IN STUDY, WITH PERCENTAGE TO DISADVANTAGED

Foundation	Total Grants Analyzed	Percent to Disadvantaged	
		1985	1984
1. McKnight	\$26,494,788	69.9	43.4
2. Bush	15,063,322	29.7	34.5
3. Dayton Hudson	14,540,776	34.9	31.6
4. Northwest Area	6,497,414	43.8	18.3
5. Honeywell	6,435,466	39.8	21.1
6. First Bank System	6,331,677	24.1	21.1
7. General Mills	6,125,343	37.1	33.1
8. 3M	5,955,685	15.6	12.5
9. St. Paul Foundation	5,825,996*	29.3	38.0
10. Pillsbury	5,231,811	13.3	26.2
11. Minneapolis	4,804,261*	42.2	46.5
12. Blandin	3,942,106	20.8	36.2
13. Otto Bremer	3,199,352	46.6	38.1
14. Alliss	2,977,400	9.5	10.6
15. St. Paul Companies	2,391,996	48.5	41.7
16. Andersen	2,566,550	4.1	5.2
17. Norwest Corporation	2,469,929	28.3	21.1
18. NSP	2,297,937	62.1	45.5
19. Deluxe Check Printers	2,275,624	26.6	23.1
20. Cargill	1,949,326	32.5	24.5
21. Phillips	1,777,198	16.5	11.8
22. Northwestern Bell	1,187,945**	27.3	n/a
23. Bigelow	1,424,517	39.5	39.7
24. Jerome	1,383,752	8.8	9.5
25. Gamble Skogmo	1,373,533	70.6	78.3
26. O'Shaughnessy	1,165,937	10.9	5.7
27. IDS	1,093,058	18.3	n/a
28. Fingerhut	1,006,770	15.1	16.0
29. Ordean	826,330	97.7	91.9
30. Medtronic	855,865	36.6	40.9
31. Hormel	851,289	13.1	13.1
32. Jostens	626,434	28.6	16.7
33. Tozer	705,013	6.5	6.9
34. Carolyn	662,337	54.4	n/a
35. NWNL	661,314	31.8	27.4
36. Hugh J. Anderson	643,772	20.6	n/a
37. Griggs & Griggs	604,150	12.2	n/a
38. Graco	590,849	36.6	n/a
39. Bemis	578,012	21.5	n/a
40. Minnegasco	570,630	61.9	58.8
TOTAL	\$145,965,363		

* Total does not include funds received from other foundations and regranted.

** Total does not include grants under \$2,000; with those grants the Northwestern Bell grants total is \$1,776,892.